

Bidder shall describe how the alternative process is to be demonstrated to the State and the level of confidence the State should anticipate.

Bidder understands and will comply: Yes \_\_\_\_\_ No \_\_\_\_\_

Reference Document: \_\_\_\_\_ Page(s) \_\_\_\_\_

Description: \_\_\_\_\_

### **5.9 Settlement and Reconciliation Plan (*Mandatory Scorable*)**

**The Settlement and Reconciliation Plan is a Mandatory Scorable Requirement.**

**Maximum possible points for Settlement and Reconciliation Plan: 80 points**

**Refer to Section 9.3.4.2.7 for detailed scoring methodology.**

Settlement and reconciliation is an area of concern for the State. The FSP and cash programs are managed and administered by the 58 CWDs pursuant to guidelines and regulatory mandates. For those counties choosing to implement cash on EBT, the settlement and reconciliation of the cash programs will occur within the county. But the settlement and reconciliation of the FSP will occur at the state level. For both cash and food stamp programs, the Contractor shall provide settlement and reconciliation reporting at the state level.

For definition purposes, settlement is the process by which the Contractor provides reimbursement for client originated transactions that occurred at retailers and/or ATM networks. Funds are moved from the funding entity (the respective counties for cash benefits, United States Department of Agriculture (USDA) through Automated Standard Application for Payments (ASAP) for food stamp benefits) to the retailer and/or ATM networks that acquired the transaction.

Reconciliation is the means by which the Contractor provides the counties and the State with the daily financial position, both in terms of the client initiated transactions from the previous accounting cycle that are being settled, and the outstanding value of the client benefits remaining on the EBT vendor's database. The reconciliation process is intended to validate the daily settlement amount and the ending database value. Daily settlement and reconciliation activities shall be performed with one hundred percent (100%) accuracy on a daily basis.

The Contractor shall describe the process that they are proposing for performing daily settlement and reconciliation of the EBT system, specifically addressing the differences between the cash and food stamp programs. The plan shall address how the Contractor intends to provide settlement and reconciliation of the food stamp benefits at a state level, although the cash program will be settled and reconciled at a county level. Specifically the plan shall address the following:

- The process for reconciling the settlement totals reported at a state level with the settlement totals reported at the individual county level.